

**Hearing Date and Time: October 9, 2019 at 10:00 am (Eastern Time)**

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**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

IN RE:

SEARS HOLDINGS CORPORATION, *et al.*,<sup>1</sup>  
  
Debtors.

CHAPTER 11

Case No. 18-23538 (RDD)  
  
(Jointly Administered)

**RESPONSE OF JOHNSON CONTROLS, INC. TO DEBTORS' FIRST  
OMNIBUS OBJECTION TO CLAIMS**

Johnson Controls, Inc. and its affiliates (“JCI”) by its counsel, hereby responds to the  
*Debtors’ First Omnibus Objection to Proofs of Claim (Satisfied Claims)* [D.I. 4775] (the “First  
Omnibus Objection”). In support of this Response, JCI states as follows:

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<sup>1</sup> The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Sears Holdings Corporation (0798); Kmart Holding Corporation (3116); Kmart Operations LLC (6546); Sears Operations LLC (4331); Sears, Roebuck and Co. (0680); ServiceLive Inc. (6774); A&E Factory Service, LLC (6695); A&E Home Delivery, LLC (0205); A&E Lawn & Garden, LLC (5028); A&E Signature Service, LLC (0204); FBA Holdings Inc. (6537); Innovel Solutions, Inc. (7180); Kmart Corporation (9500); MaxServ, Inc. (7626); Private Brands, Ltd. (4022); Sears Development Co. (6028); Sears Holdings Management Corporation (2148); Sears Home & Business Franchises, Inc. (6742); Sears Home Improvement Products, Inc. (8591); Sears Insurance Services, L.L.C. (7182); Sears Procurement Services, Inc. (2859); Sears Protection Company (1250); Sears Protection Company (PR) Inc. (4861); Sears Roebuck Acceptance Corp. (0535); Sears, Roebuck de Puerto Rico, Inc. (3626); SYW Relay LLC (1870); Wally Labs LLC (None); Big Beaver of Florida Development, LLC (None); California Builder Appliances, Inc. (6327); Florida Builder Appliances, Inc. (9133); KBL Holding Inc. (1295); KLC, Inc. (0839); Kmart of Michigan, Inc. (1696); Kmart of Washington LLC (8898); Kmart Stores of Illinois LLC (8897); Kmart Stores of Texas LLC (8915); MyGofer LLC (5531); Sears Brands Business Unit Corporation (4658); Sears Holdings Publishing Company, LLC. (5554); Sears Protection Company (Florida), L.L.C. (4239); SHC Desert Springs, LLC (None); SOE, Inc. (9616); StarWest, LLC (5379); STI Merchandising, Inc. (0188); Troy Coolidge No. 13, LLC (None); BlueLight.com, Inc. (7034); Sears Brands, L.L.C. (4664); Sears Buying Services, Inc. (6533); Kmart.com LLC (9022); and Sears Brands Management Corporation (5365). The location of the Debtors’ corporate headquarters is 3333 Beverly Road, Hoffman Estates, Illinois 60179.

1. JCI is a Delaware limited liability company that provided building control systems and services to certain of the above-referenced debtors (the “Debtors”) at various locations, pursuant to certain contracts between JCI and the Debtors.

2. JCI timely filed twelve (12) proofs of claim against the Debtors as follows (the “JCI Claims”):

<b>Claim #</b>	<b>Debtor</b>	<b>Amount</b>
6633	Sears Roebuck Acceptance Corp.	\$203,765.06
17891	Sears Operations LLC	\$393,419.85
16647	Kmart Operations LLC	\$393,419.85
17370	Sears Holdings Management Corporation	\$793,803.53
16920	Innovel Solutions, Inc.	\$57,282.62
17590	Sears Operations LLC	\$393,419.85
16236	Sears, Roebuck de Puerto Rico, Inc.	\$1,946,853.67
16604	Sears, Roebuck and Co.	\$2,175,123.28
16658	Kmart Corporation	\$2,175,123.28
17038	Sears Procurement Services, Inc.	\$393,419.85
17419	Sears Holdings Corporation	\$64,634.28
17637	Sears Home Improvement Products, Inc.	\$1,287,044.00

3. In the First Omnibus Objection, the Debtors ask the Court to disallow all of the JCI Claims on the basis that each “...Claim was satisfied and/or released, as associated contract was assumed and assigned to Transform Holdco LLC.” *See* First Omnibus Objection at Ex. A, pp. 9-10, lines 72-83.

4. JCI objects to the relief requested in the First Omnibus Objection because:

- a. None of the JCI Claims are satisfied or released;
- b. None of the contracts associated with the JCI Claims were assumed and assigned to Transform Holdco, and several in particular have been rejected:

<b><u>Debtor Party to Contract</u></b>	<b><u>Sears - JCI Contract No.</u></b>	<b><u>Treatment of Contract</u></b>
Sears Holdings Management Corporation	CW2336623	<u>Rejected</u> by order dated 06/3/19 (dkt. 4108)
Sears Holdings Management Corporation	CW2337561	<u>Rejected</u> by order dated 06/3/19 (dkt. 4108)
Sears Holdings Management Corporation	CW2337561	Rejected by order dated 06/3/19 (dkt. 4108)
Sears Holdings Management Corporation	CW2339967, CW2339967, CW2339967, CW2339079, CW2339079, CW2339972, and CW2339972	JCI objected to proposed cure (dkt. 1942); assignment/assumption has not occurred
Sears Holdings Management Corporation	n/a	<u>Rejected</u> by order dated 06/3/19 (dkt. 4109)
Sears Holdings Management Corporation	n/a	JCI objected to proposed cure (dkt. 3266); assignment/assumption has not occurred
Sears Holdings Management Corporation	CW236623	<u>Rejected</u> by order dated 06/3/19 (dkt. 4108)
Sears, Roebuck and Co.	CW2296586	<u>Rejected</u> by order dated 05/8/19 (dkt. 3755)
Kmart Corporation; Sears Holdings Management Corporation; Sears Roebuck de Puerto Rico, Inc; Sears, Roebuck and Co.; Kmart Corporation	CW2305871	No order for assumption/assignment or rejection entered
Kmart Corporation; Sears Holdings Management Corporation; Sears Roebuck de Puerto Rico, Inc; Sears, Roebuck and Co.; Kmart Corporation	CW2329946	<u>Rejected</u> by order dated 06/19/19 (dkt. 4289)
Kmart Corporation; Sears Holdings Management Corporation; Sears Roebuck de Puerto Rico, Inc; Sears, Roebuck and Co.; Kmart Corporation	CW2329940	<u>Rejected</u> by order dated 06/19/19 (dkt. 4289)
Kmart Corporation; Sears Holdings Management Corporation; Sears Roebuck de Puerto Rico, Inc; Sears, Roebuck and Co.; Kmart Corporation	CW2329942	<u>Rejected</u> by order dated 06/19/19 (dkt. 4289)
Sears Roebuck and Co., Kmart Corporation; Sears Roebuck de Puerto Rico, Inc.; Innovel Solutions, Inc.	CW2338996	No order for assumption/assignment or rejection entered

<b><u>Debtor Party to Contract</u></b>	<b><u>Sears - JCI Contract No.</u></b>	<b><u>Treatment of Contract</u></b>
Sears, Roebuck and Co.	CW2267224	JCI objected to proposed cure (dkt. 3266); assignment/assumption has not occurred
Sears Holdings Management Corporation	CW2300626	No order for assumption/assignment or rejection entered
Sears Holdings Management Corporation	n/a	<u>Rejected</u> by order dated 04/25/19 (dkt. 3465)

### **RESERVATION OF RIGHTS**

5. JCI reserves the right to assert other, supplemental, or additional claims against the Debtors, including, but not limited to, claims for rejection damages, post-petition administrative claims, or any other claims that may arise or that JCI may be entitled to assert under the Bankruptcy Code, whether or not such claims are associated with the contracts or JCI Claims described in this Response.

### **REQUEST FOR RELIEF**

6. Accordingly, JCI requests that the Court deny the Debtors' First Omnibus Objection as to the JCI Claims.

WHEREFORE, JCI requests that the Court enter an order:

- A. Denying the final relief requested in the First Omnibus Objection as to the JCI Claims;
- B. Allowing the JCI Claims as filed; and
- C. Providing such other and further relief as the Court deems just and appropriate.

Dated: August 26, 2019.

GODFREY & KAHN, S.C.

By: /s/ Erin West

Erin West

*admitted pro hac vice*

Wisconsin Bar No. 1075729

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CERTIFICATE OF SERVICE

A true and correct copy of the above and forgoing document was served on the all parties receiving notice ECF electronic service and by First Class U.S. Mail on the 26th day of August 2019 on the following:

Chambers of the Honorable Robert D. Drain  
United States Bankruptcy Court  
Southern District of New York  
300 Quarropas Street  
White Plains, NY10601

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